

ND WORKERS COMPENSATION FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2002

| | October-02 | | | | September-02 | | | | Current | Prior Year | 3 Years | 5 Years |
|--|--------------|------------|---------|--------|--------------|--------------|------------|---------|------------|------------|-----------|-----------|
| | Market Value | Allocation | Actual | Policy | Net ROR | Market Value | Allocation | Quarter | Fiscal YTD | FY02 | Ended | Ended |
| | | | | | | | | Net ROR | Net | Net | 6/30/2002 | 6/30/2002 |
| | | | | | | | | | | | Net | Net |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | |
| <i>Structured Growth</i> | | | | | | | | | | | | |
| <i>AllianceBernstein</i> | 14,282,490 | 1.6% | 1.8% | 7.96% | 13,301,079 | 1.5% | 1.8% | -13.54% | -6.66% | -28.65% | -16.80% | N/A |
| <i>Russell 1000 Growth</i> | | | | 9.17% | | | | -15.05% | -7.26% | -26.49% | -16.15% | N/A |
| <i>Structured Value</i> | | | | | | | | | | | | |
| <i>LSV</i> | 14,740,394 | 1.7% | 1.8% | 2.74% | 14,414,067 | 1.7% | 1.8% | -18.60% | -16.37% | 2.41% | 5.40% | N/A |
| <i>Russell 1000 Value</i> | | | | 7.41% | | | | -18.77% | -12.75% | -8.96% | -2.92% | N/A |
| <i>S&P 500 Index</i> | | | | | | | | | | | | |
| <i>State Street</i> | 71,357,344 | 8.1% | 8.4% | 8.80% | 65,956,732 | 7.6% | 8.4% | -17.26% | -9.98% | -18.03% | -9.27% | 3.58% |
| <i>S&P 500</i> | | | | 8.80% | | | | -17.28% | -10.00% | -17.99% | -9.18% | 3.67% |
| TOTAL LARGE CAP DOMESTIC EQUITY | 100,380,227 | 11.4% | 12.0% | 7.74% | 93,671,877 | 10.7% | 12.0% | -16.96% | -10.53% | -16.89% | -8.30% | 3.74% |
| <i>S&P 500</i> | | | | 8.80% | | | | -17.28% | -10.00% | -17.99% | -9.18% | 3.67% |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | |
| <i>Manager-of-Managers</i> | | | | | | | | | | | | |
| <i>SEI</i> | 49,219,160 | 5.6% | 6.0% | 2.46% | 48,437,712 | 5.5% | 6.0% | -19.31% | -17.33% | -11.77% | N/A | N/A |
| <i>Russell 2000 + 200bp</i> | | | | 3.38% | | | | -20.97% | -18.30% | -7.96% | N/A | N/A |
| TOTAL SMALL CAP DOMESTIC EQUITY | 49,219,160 | 5.6% | 6.0% | 2.46% | 48,437,712 | 5.5% | 6.0% | -19.31% | -17.33% | -11.69% | 2.22% | 4.32% |
| <i>Russell 2000</i> | | | | 3.21% | | | | -21.40% | -18.87% | -8.59% | 1.67% | 4.44% |
| CONVERTIBLES | | | | | | | | | | | | |
| <i>TCW</i> | 96,156,123 | 10.9% | 12.0% | 3.51% | 93,698,863 | 10.7% | 12.0% | -10.05% | -6.89% | -20.37% | -2.22% | N/A |
| <i>First Boston Convertible Index</i> | | | | 2.85% | | | | -8.47% | -5.86% | -12.44% | 0.11% | N/A |
| INTERNATIONAL EQUITY | | | | | | | | | | | | |
| <i>Large Cap - Active</i> | | | | | | | | | | | | |
| <i>Capital Guardian</i> | 66,320,792 | 7.5% | 8.0% | 8.75% | 60,907,671 | 7.0% | 8.0% | -20.58% | -13.63% | -12.10% | -2.96% | 2.87% |
| <i>MSCI EAFE - 50% Hedged</i> | | | | 5.40% | | | | -20.02% | -15.70% | -14.62% | -7.32% | -1.89% |
| DOMESTIC FIXED INCOME | | | | | | | | | | | | |
| <i>Core Bond</i> | | | | | | | | | | | | |
| <i>Western Asset</i> | 275,509,883 | 31.2% | 29.5% | -0.89% | 278,109,931 | 31.8% | 29.5% | 3.51% | 2.59% | 8.36% | 8.53% | 7.80% |
| <i>Lehman Aggregate</i> | | | | -0.46% | | | | 4.58% | 4.10% | 8.62% | 8.10% | 7.57% |
| <i>Index</i> | | | | | | | | | | | | |
| <i>Bank of ND</i> | 154,025,466 | 17.5% | 16.8% | -0.96% | 155,785,943 | 17.8% | 16.8% | 5.96% | 4.93% | 8.38% | 7.79% | 7.42% |
| <i>Bank of ND CD'S</i> | 8,116,532 | 0.9% | 0.9% | 0.29% | 8,093,027 | 0.9% | 0.9% | 0.88% | 0.59% | 5.04% | 5.55% | 5.48% |
| <i>Total Index</i> | 162,141,998 | 18.4% | 17.7% | -0.90% | 163,878,970 | 18.8% | 17.7% | 5.70% | 3.50% | 8.14% | 7.66% | 7.30% |
| <i>Lehman Gov/Corp</i> | | | | -0.96% | | | | 5.70% | 4.68% | 8.24% | 7.86% | 7.47% |
| <i>BBB Average Quality</i> | | | | | | | | | | | | |
| <i>Strong</i> | 109,073,113 | 12.4% | 11.8% | -0.62% | 110,264,817 | 12.6% | 11.8% | 3.08% | 2.44% | N/A | N/A | N/A |
| <i>Lehman US Credit BAA</i> | | | | -1.18% | | | | 2.70% | 1.49% | N/A | N/A | N/A |
| TOTAL DOMESTIC FIXED INCOME | 546,724,994 | 62.0% | 59.0% | -0.84% | 552,253,718 | 63.2% | 59.0% | 4.06% | 3.19% | 7.55% | 7.88% | 7.42% |
| <i>Lehman Gov/Corp</i> | | | | -0.96% | | | | 5.70% | 4.68% | 8.24% | 7.86% | 7.47% |
| CASH EQUIVALENTS | | | | | | | | | | | | |
| <i>Bank of ND</i> | 23,595,419 | 2.7% | 3.0% | 0.15% | 24,241,005 | 2.8% | 3.0% | 0.48% | 0.63% | 2.41% | 4.76% | 4.99% |
| <i>90 Day T-Bill</i> | | | | 0.15% | | | | 0.45% | 0.60% | 2.63% | 4.68% | 4.84% |
| TOTAL WORKERS COMPENSATION | 882,396,714 | 100.00% | 100.00% | 1.43% | 873,210,847 | 100.00% | 100.00% | -3.49% | -2.11% | -1.68% | 3.81% | 6.83% |
| POLICY TARGET BENCHMARK | | | | 1.46% | | | | -2.94% | -1.52% | -0.36% | 3.67% | 6.51% |

NOTE: Monthly returns and market values are preliminary and subject to change.